BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268–0001

PERIODIC REPORTING (PROPOSAL THIRTEEN)	Docket No. RM2015-7

**COMMENT OF THE UNITED STATES POSTAL SERVICE IN REGARD
TO SUPPLEMENTAL INFORMATION PROVIDED BY UPS**
(April 15, 2015)

On April 14, 2015, in response to Order No. 2433 (April 9, 2015), UPS provided

supplemental information sought by the Commission in response to the UPS motion

seeking an Information Request for more extensive, nationwide, Form 3999 data. On

page 2 of its Supplemental Information filing, UPS included the following bullet point:

> **Calculation of Route Density Metric**. As explained in Dr. Neels' report, Brattle will use the Crosswalk File to map the Form 3999 data to actual zip codes, which will then allow Brattle to calculate the "number of miles of neighborhood streets per delivery point" for every ZIP code in the country. *See* Neels Report at 18. As Dr. Neels explained in his expert report, this alternative measure of route density is superior to the land-area variable used by the Postal Service, because it vastly diminishes the possibility of bias introduced by large swaths of unpopulated land. *See id.* Computing this variable for every ZIP code is a time-intensive task because it involves analyses of a massive dataset.

In evaluating the supplemental information that UPS has provided, and specifically the

claim made in the above statement about the superiority of its alternative measure of

delivery point density, the Postal Service believes that it would be useful for the

Commission and UPS to be aware of the following.

The actual relationship between the two measures of delivery point density for

the subset of ZIP Codes already identified can be examined to explore the claim that

the UPS measure vastly diminishes the possibility of bias. The relevant statistics are shown below.

Simple Statistics

Variable	N	Mean	Std Dev	Sum	Minimum	Maximum	Label
mpdp	292	0.00947	0.03653	2.76463	0.0000186	0.50375	USPS
mlpdp	292	0.02901	0.07341	8.47020	0.0005365	0.98015	UPS

Pearson Correlation Coefficients, N = 292
Prob > |r| under H0: Rho=0

	mpdp	mlpdp
(USPS) mpdp	1.00000	0.97827
		<.0001
(UPS) mlpdp	0.97827	1.00000
	<.0001	

The similarity in the variation in the two measures shown above suggests that, even after the substantial time and effort UPS indicates would be required, the UPS approach would not materially affect the estimation results in this regard.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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